

KELLEY DRYE & WARREN LLP

Jeffrey A. Mitchell, Esquire
September 24, 2004
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CONFIDENTIAL –
FOR SETTLEMENT/ DISCUSSION PURPOSES ONLY

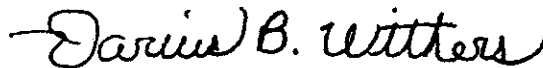
Furthermore, as soon as they become available from the Company's outside auditors, we will provide USAC with audited financial statements. Notably, in Eureka's earlier submissions in May and July of 2004, Eureka provided USAC with financial statements supported by a declaration from the Company's Chairman that the information in the financial statements are true and correct in all material respects. We do not believe that the absence of these documents should create any delay in USAC providing Eureka and the FCC with an opinion regarding the proposed payment plan.

Payment Plan Documents and Remaining Tasks

Eureka is in the process of reviewing the requirements for a payment plan as described in the documents forwarded to us by USAC on September 21, 2004. Upon receipt of a determination by USAC and the FCC of Eureka's proposed payment plan terms, Eureka can begin discussions regarding specific conditions and requirements contained within the payment plan documents.

In closing, Eureka appreciates the FCC's desire to obtain resolution of this matter quickly. We will continue to provide information to USAC and the FCC in an effort to achieve agreement on a payment plan prior to September 30, 2004. We eagerly await receipt of acceptance of the Company's proposed payment plan terms.

Respectfully submitted,



Jonathan E. Canis
Darius B. Withers
Counsel to Eureka Broadband Corporation

Enclosures (as noted)

cc: Mr. Paul K. Cascio, Assistant General Counsel, Office of the General Counsel, Federal Communications Commission
Ms. Cathy Carpino, Esq., Deputy Chief, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission
Ms. Anita Cheng, Esq., Assistant Chief, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission
Mark A. Carmichael, Vice-President, Finance, Universal Service Administrative Company
Mr. Michael Lawrence, Universal Service Administrative Company
Mr. Jeffrey E. Ginsberg, Chairman, Eureka Broadband Corporation d/b/a Eureka Networks
Mr. Adam Lewis, Vice-President, Eureka Broadband Corporation d/b/a Eureka Networks

EXHIBIT D

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

SUITE 500

WASHINGTON, D.C. 20036

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May 10, 2004

VIA ELECTRONIC MAIL AND HAND DELIVERY

Timothy Peterson, Esquire
Office of Managing Director
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

FOR SETTLEMENT PURPOSES ONLY

Re: **Eureka Networks f/k/a Eureka Broadband Corporation (Filer ID 820387); Submissions of 499-A and 477 Forms for Prior Years 1998 - 2003; Universal Service Fund Good Faith Payment and Proposed Payment Arrangements**

Dear Mr. Peterson:

We are writing on behalf of Eureka Broadband Corporation d/b/a Eureka Networks as successor-in-interest to Gillette Global Network, Inc. ("Eureka" or "the Company"; Filer ID # 820387) to address issues related to the Company's regulatory filing and payment obligations before the Federal Communications Commission ("FCC" or "the Commission") and the Universal Service Administrative Corporation ("USAC"). In particular, this letter is to request an in-person meeting with staff of the FCC to discuss Eureka's proposed payment plan for payment of amounts it may owe to the federal universal service fund ("FUSF"). Consistent with these obligations, we have enclosed a copy of a good faith payment to the FUSF that Eureka is submitting today to USAC.

As described in the attached correspondence from Eureka Chairman Jeffrey Ginsburg, Eureka recognizes that it owes past-due amounts to the FUSF and is willing to commence submission of payments pursuant to a negotiated agreement with USAC. In an effort to expedite resolution of these issues, Eureka, concurrent with this correspondence, is making a retroactive submission of FCC Universal Service forms not filed to date, including original FCC Form 499-A filings for the reporting years 1998 through 2003. Eureka is also submitting a 2004 499-Q, reflecting FUSF eligible revenues for the 1st Quarter of 2004 with payment in full.

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Office of Managing Director
Federal Communications Commission
May 10, 2004
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FOR SETTLEMENT PURPOSES ONLY

Furthermore, as we have advised Michelle Tilton, Manager, Billing and Collections at USAC, the relevant forms for Eureka are being submitted simultaneously with a two good faith payments, totaling \$303,933.43 to USAC's lockbox banking location in Chicago, Illinois.

Finally, enclosed for the Commission's consideration in advance of our meeting, is a Term Sheet with proposed payment plan designed to cure the outstanding balance Eureka believes is owed to the FUSF. As part of the Commission's evaluation of this proposal, we believe it vital that the Commission consider the corporate history and background of Eureka and its subsidiaries. Enclosed with this submission is a copy of Eureka Chairman Jeffrey Ginsburg's correspondence to the Commission concerning this important history. As is evident from the details of its operational history, Eureka is only now able to compile information necessary to evaluate and comply with all of its regulatory obligations.

In short, the combination of a massive reduction in its work force, the disruption to the entire Company due to the tragic events of September 11, 2001, wrenching changes in the telecommunications market, and the natural disruptions associated with coordinating merger integration activities, all have severely handicapped the Company's ability to accurately track its USF requirements. Nevertheless, the Company survived the multiple shocks to its business and is committed to complying with all regulatory obligations.

Toward that end, and as noted earlier, enclosed with its regulatory filings, Eureka has included a payment of \$188,918.54 for its liability associated with USF-eligible revenues generated in the first quarter of 2004. This amount is in addition to the payment of \$115,014.89, which represents the first payment in the proposed payment plan to settle the Company's outstanding USF balance of \$1.15 million. It is the Company's belief that this amount represents the total amount due and owing to the FUSF by the Company to date. It is the Company's expectation that the filing of the outstanding 499-A forms, together with a proposed plan for the complete payment for the FUSF obligation of the Company to date, will ultimately satisfy Eureka's outstanding FUSF obligations.¹

¹ Of course, the Company recognizes that the FCC or USAC may impose certain administrative fees, but Eureka requests that these fees and charges be waived in light of the voluntary actions of the Company. Eureka believes its actions have reduced the administrative burden on USAC and the FCC to identify, track, and calculate any outstanding balance owed by Eureka or any of its previously acquired subsidiaries.

KELLEY DRYE & WARREN LLP

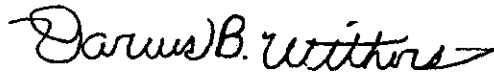
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Office of Managing Director
Federal Communications Commission
May 10, 2004
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FOR SETTLEMENT PURPOSES ONLY

Eureka hopes to reduce the FCC and USAC's administrative burden. The Company's desire to comply fully with the Act and the Commission's rules and orders. Eureka is now able to identify records, track revenues, become and stay current regarding its FUSF obligations and, most importantly, continue to thrive as a profitable and healthy competitive telecom service provider to benefit end-user customers.

We, and the representatives of Eureka, look forward to meeting with you and appreciate your consideration of our request.

Respectfully submitted,



Jonathan E. Canis
Darius B. Withers
Counsel to Eureka Networks

Enclosures (as noted)

cc: Ms. Anita Cheng, Assistant Chief, Telecommunications Access Policy Division, Federal Communications Commission
Ms. Ann Marie Trew, Universal Service Administrative Company
Mr. Jeffrey E. Ginsburg, Chairman, Eureka Networks f/k/a/ Eureka Broadband Corporation



www.eurekanetworks.net

May 5, 2004

*FOR SETTLEMENT/
DISCUSSION PURPOSES
ONLY*

Timothy Peterson, Esquire
Office of Managing Director
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Eureka Broadband – USF Filings and Settlement Proposal

Dear Mr. Peterson:

The purpose of this letter is to provide the Federal Communications Commission (the "FCC" or the "Commission") with additional background information regarding the corporate history of Eureka Broadband Corporation and its subsidiaries ("Eureka" or the "Company"), so that the Commission can more fully evaluate the Company's payment plan with respect to its outstanding USF obligations.

Eureka has been on what can only be described as an "odyssey of survival" since the meltdown in the telecom capital markets occurred and caused many service providers to file bankruptcy, liquidate their assets or otherwise cease to exist. In addition to these oppressive macro-economic conditions, Eureka also had the distinction of being headquartered in downtown Manhattan, and as a result we were profoundly impacted by the events of September 11th. We are proud to have survived the catastrophic events of 9/11 and the overall collapse of the telecom market.

Our survival has not been without many sacrifices along the way, many of which directly impacted our ability to properly calculate and to pay currently our USF charges. We are pleased that we are now able to pay our USF charges on a current fashion, and commence payments on a payment plan to address our outstanding balance. While we recognize that terms of our payment plan are inconsistent with the Commission's suggested guidelines, there are a number of reasons beyond our control that have put Eureka in its current predicament, where we are unable to meet these guidelines. We believe it is vital for the Commission to consider Eureka's corporate history when evaluating this payment plan, as it is evident from a review of the facts that the Company is only now able to compile accurate information and meet all of its regulatory obligations.

Significant Acquisition Activity Created Employee Turnover and Billing Problems

Eureka is a New York City-based resale and facilities provider of telecommunications services to business customers in New York, Maryland, Virginia, and Washington, D.C., that was incorporated in 1999. Eureka offers businesses a single source for voice

communications services, high-speed Internet, managed security services and data networking solutions. Eureka Broadband Corporation was incorporated in 1999. Since that year, the Company has acquired seven (7) different companies, including Eureka's subsidiaries Gillette Global Network ("GGN") and eLink Communications. We changed our trade name to Eureka Networks in 2003.

Each corporate acquisition increased revenues, customers, access to investment capital, and contributed to the Company's ability to survive the brutal market conditions that prevailed during this time. However, at the time of acquisition, each target company was distressed, plagued with poor record systems, and unstable workforces, which made each merger integration even more difficult than normal. As an illustrative example, Eureka and Gillette Global Network signed a letter of intent to merge in September 2000 (this was Eureka's first acquisition). At the time, the combined entities consisted of 400 individuals. Subsequently, Eureka acquired companies with an additional 100 employees, bringing the total employment from all companies to 500 people. As of March 31, 2004, Eureka maintained a total of 70 employees, an 86% decrease in total personnel. This massive headcount reduction has had a material adverse impact on the ability of the Company to manage many administrative aspects of the business, including our regulatory obligations as applied to each separate corporate subsidiary.

In particular, the absence of a unified billing platform among the different entities created significant problems for the Company – not the least of which was tracking and categorization of revenues. The full integration of the varied operational components of each of the seven acquired businesses (including people, products, customer bases, networks, billing systems, accounting systems, customer care centers, etc.) was a difficult process that has taken a total of three years. In fact, not until late in the third quarter of 2003 did Eureka establish a single, fully integrated, billing system to enable more accurate tracking and identification of USF-eligible revenues.

The Events of September 11, 2001 Profoundly Impacted the Company

The Company is headquartered in downtown Manhattan at 39 Broadway and serves numerous business customers in Manhattan that are connected to downtown switching facilities. Additionally, after much effort, in April 2001, Eureka secured from the Port Authority of New York/New Jersey a contract, which gave the Company the right to deploy a fiber-optic backbone conduit in the risers of #1 and #2 World Trade Center. On the eve of the disaster, Eureka had invested over \$500,000 in capital funds into the World Trade Center and was planning for the revenue from this facilities deployment to produce cash flow to grow our business, accelerate our merger integration processes, and develop a unified billing system.

Unfortunately, the disaster at the World Trade Center changed everything for Eureka. Eureka, as a competitive new entrant, relies upon larger, facilities-based, entities to maintain redundant networks which can withstand such calamities. Nevertheless, the loss of AT&T's facilities in World Trade Center Tower 7, as well as the destruction of Verizon's West St. Central Switching Office, caused many of Eureka's customers outside

of the WTC complex to experience recurring service problems for months following the disaster. The collapse of the towers disrupted the entire power grid in all of lower Manhattan, which further disabled our entire New York network and customer base. Eureka was very fortunate that we did not lose any employees on that fateful day – our WTC project team had a meeting scheduled for 9:00 am on the 88th floor. All made it out safely, but witnessed the tragedy first hand.

In the immediate wake of the disaster, Eureka recognized the tangible threat to its revenue base and focused our activities on business survival. These activities included the dismissal of 120 people within weeks (reducing personnel from 200 to 80) and focusing 100% of the Company's resources on preservation of our remaining customer base. As noted herein, however, these survival activities resulted in a three year period wherein the Company struggled to comply fully with its regulatory obligations due to lack of access to records, absence of personnel with applicable knowledge, and a targeted focus on the preservation of existing, and precious, revenues.

The Company's Financial Condition

In a manner similar to other telecom service providers, Eureka incurred losses from operations and raised capital to deploy network facilities, all as part of an effort to grow and find new sources of revenue. At our peak in mid-2000, the Company's monthly "burn rate" was approximately \$4 million per month. Unlike many other companies, which today are no longer in business, we corrected course early, pulling back from plans to enter more remote geographic markets, and concentrated our efforts in only two markets.

Since July 2001, Eureka has successfully raised equity capital to support our operations and fund our steadily shrinking operating losses. However, a significant use of these proceeds has been to resolve disputes with secured creditors that were threatening to place the Company into involuntary bankruptcy. Eureka continues to operate and has, thus far, successfully avoided a bankruptcy filing. Unfortunately, in an attempt to avoid bankruptcy, the Company has been forced to prioritize our use of limited capital to satisfy creditor's then-immediate claims. These liabilities, which have been satisfied, included:

- A secured lease with Cisco Capital with \$5 million outstanding
- A secured loan with Comdisco with \$1.4 million outstanding
- An office lease in New York City with 8 years and \$17 million in rent payments remaining in the term
- An office lease in Bethesda, MD with over 2 years and \$1.5 million in rent payments remaining in the term

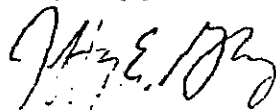
If Eureka had been unable to resolve these liabilities, the Company would have been forced to file for bankruptcy protection. Unfortunately, it would have been during those proceedings, under the supervision of the bankruptcy court that the Company would have discovered its obligations to USF associated with the companies we had acquired, in some cases as far back as 1998.

Eureka has, however, achieved greater financial stability and made substantial improvements to our financial position. For the first time, in March 2004, the Company reported positive earnings before interest, taxes, depreciation, and amortization (EBITDA). Nevertheless, Eureka still continues to operate with negative working capital and is not yet in a position to pay its outstanding USF obligations within one year, as suggested by the FCC's guidelines. A copy of financial statements from the past two years, and the Company's March 31, 2004 financial statements, are enclosed for your review.

In closing, the Company regrets that it has not complied with its USF payment obligations and we want to bring the Company into full compliance. We hope that this letter has shed some light on our fight for survival and thought process along the way. We are now positioned to make contributions to the USF on a current basis, address our arrearage in a reasonable settlement and most importantly, continue to thrive as a profitable and healthy competitive telecom service provider.

We look forward to meeting you in person at your convenience to review and discuss our proposal and answer any questions you may have.

Very truly yours,

A handwritten signature in dark ink, appearing to read "JE Ginsberg", written in a cursive, stylized script.

Jeffrey E. Ginsberg
Chairman

Encl.

EXHIBIT E

Eureka Broadband Corporation
successor-in-interest to
Gillette Global Network, Inc.
 Form 499-A
 Year 2000

Reconciliation of Gross Sales to Federal Tax Return

| | | |
|-----------------------------------|-----------|--|
| 1999 Gross Sales | 6,419,542 | Per Form 1120 Provided as Exhibit A |
| Adjustment for Accrued Revenue | (422,480) | |
| Gross Billed Revenue | 5,997,062 | Per Form 499A Amended Filing in May-2004 |

Reconciliation to Amended Form 499-A

| | Total | % Interstate* | % International* | \$ Interstate | \$ International |
|------------------------|------------------|------------------|---------------------|------------------|---------------------|
| USF Billed | 59,228 | 80.0% | 20.0% | 47,382 | 11,846 |
| Local Services | 1,851,375 | 0.0% | 0.0% | - | - |
| Long Distance Services | 492,613 | 60.0% | 20.0% | 295,568 | 98,523 |
| Internet Services | 3,593,846 | 0.0% | 0.0% | - | - |
| | <u>5,997,062</u> | | | <u>342,950</u> | <u>110,368</u> |

**Allocation Based on 2001 - 2003 Billings (provided as Exhibit B)*

Original Form 499-A Filed Sept-2000

| | Total | % Interstate* | % International* | \$ Interstate | \$ International |
|-------------------------------------|------------------|------------------|---------------------|------------------|---------------------|
| USF Billed | 58,500 | 94.9% | 0.0% | 55,500 | - |
| Local Services | 280,000 | 0.0% | 0.0% | - | - |
| Subscriber Line Charge | 6,000 | 100.0% | 0.0% | 6,000 | - |
| Local Private Lines | 1,800 | 0.0% | 0.0% | - | - |
| Long Distance Services | 4,989,000 | 79.0% | 0.0% | 3,941,000 | - |
| Long Distance Private Line Services | 34,500 | 100.0% | 0.0% | 34,500 | - |
| Other Long Distance Services | 100,000 | 88.5% | 2.8% | 88,500 | 2,800 |
| Internet Services | 446,000 | 0.0% | 0.0% | - | - |
| | <u>5,915,800</u> | | | <u>4,125,500</u> | <u>2,800</u> |

EXHIBIT A

Form **1120** Department of the Treasury Internal Revenue Service **U.S. Corporation Income Tax Return 1999**

► Instructions are separate. See instructions for Paperwork Reduction Act Notice.

IRS use only — Do not write or staple in this space.

For calendar year 1999 or tax year beginning , 1999, ending

OMB No. 1545-0123

| | | | |
|---|--|---|---|
| A Check if a: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corp (as defined in Regs Section 1.441-4T — see instructions) <input type="checkbox"/> | | Name GILLETTE GLOBAL NETWORK INC Number, Street, and Room or Suite Number (If a P.O. box, see instructions.) 39 BROADWAY 19TH FLOOR City or Town State ZIP Code NEW YORK NY 10006 | B Employer Identification Number 13-3793720 C Date incorporated 10/27/94 D Total Assets (see instructions) |
|---|--|---|---|

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change of address \$ **5,244,317.**

| | | | | | | | |
|---|---|-------------------|-----------------------------|----------------|--------------|--------------------|-------------------|
| INCOME | 1 a Gross receipts or sales | 6,419,542. | b Less returns & allowances | | c Balance | 1c | 6,419,542. |
| | 2 Cost of goods sold (Schedule A, line 8) | | | | | 2 | 4,338,358. |
| | 3 Gross profit. Subtract line 2 from line 1c | | | | | 3 | 2,081,184. |
| | 4 Dividends (Schedule C, line 19) | | | | | 4 | |
| | 5 Interest | | | | | 5 | 8,812. |
| | 6 Gross rents | | | | | 6 | |
| | 7 Gross royalties | | | | | 7 | |
| | 8 Capital gain net income (attach Schedule D (Form 1120)) | | | | | 8 | |
| | 9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797) | | | | | 9 | |
| | 10 Other income (see instructions — attach schedule) | | | | | 10 | |
| | 11 Total income. Add lines 3 through 10 | | | | | 11 | 2,089,996. |
| DEDUCTIONS | 12 Compensation of officers (Schedule E, line 4) | | | | | 12 | 269,230. |
| | 13 Salaries and wages (less employment credits) | | | | | 13 | 1,517,872. |
| | 14 Repairs and maintenance | | | | | 14 | 13,698. |
| | 15 Bad debts | | | | | 15 | |
| | 16 Rents | | | | | 16 | 141,428. |
| | 17 Taxes and licenses | | | | | 17 | 149,432. |
| | 18 Interest | | | | | 18 | 29,620. |
| | 19 Charitable contributions (see instructions for 10% limitation) | | | | | 19 | |
| | 20 Depreciation (attach Form 4562) | | 20 | 42,353. | | | |
| | 21 Less depreciation claimed on Schedule A and elsewhere on return | | 21a | | | 21b | 42,353. |
| | 22 Depletion | | | | | 22 | |
| 23 Advertising | | | | | 23 | 80,724. | |
| 24 Pension, profit-sharing, etc. plans | | | | | 24 | 46,366. | |
| 25 Employee benefit programs | | | | | 25 | | |
| 26 Other deductions (attach schedule). See Other Deductions Statement | | | | | 26 | 1,319,063. | |
| 27 Total deductions. Add lines 12 through 26 | | | | | 27 | 3,609,786. | |
| 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 | | | | | 28 | -1,519,790. | |
| 29 Less: a Net operating loss (NOL) deduction (see instructions) | | 29a | | | | | |
| b Special deductions (Schedule C, line 20) | | 29b | | | 29c | | |
| 30 Taxable income. Subtract line 29c from line 28 | | | | | 30 | -1,519,790. | |
| 31 Total tax (Schedule J, line 12) | | | | | 31 | | |
| TAX AND PAYMENTS | 32 Payments: a 1998 overpayment credited to 1999 | 32a | 28. | | | | |
| | b 1999 estimated tax payments | 32b | | | | | |
| | c Less 1999 refund applied for on Form 4466 | 32c | | | d Bal | 32d | 28. |
| | e Tax deposited with Form 7004 | | | | 32e | | |
| | f Credit for tax paid on undistributed capital gains (attach Form 2439) | | | | 32f | | |
| | g Credit for federal tax on fuels (attach Form 4136). See instructions | | | | 32g | | |
| | 33 Estimated tax penalty (see instructions). Check if Form 2220 is attached | | | | | 32h | 28. |
| | 34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed | | | | | 33 | |
| | 35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid | | | | | 34 | |
| | 36 Enter amount of line 35 you want: Credited to 2000 estimated tax | | | | | 35 | 28. |
| | Refunded | | | | | 36 | 28. |

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of Officer **[Signature]** Date _____ Title _____

Paid Preparer's Use Only

Preparer's Signature **[Signature]** Date _____ Check if self-employed ☒ Preparer's SSN or PTIN **059-60-7790**

Firm's Name (or yours if self-employed) and Address **NEUSCHATZ & NEUSCHATZ, LLP** EIN **22-3393330**

20-24 FAIR LAWN AVENUE ZIP Code **07410**

FAIR LAWN NJ

Schedule A Cost of Goods Sold (see instructions)

| | | | |
|---|--|---|------------|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases | 2 | |
| 3 | Cost of labor | 3 | |
| 4 | Additional Section 263A costs (attach schedule) | 4 | |
| 5 | Other costs (attach schedule) See Other Costs Statement | 5 | 4,338,358. |
| 6 | Total. Add lines 1 through 5 | 6 | 4,338,358. |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1 | 8 | 4,338,358. |

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations Section 1.471-3
 (ii) ☐ Lower of cost or market as described in Regulations Section 1.471-4
 (iii) ☐ Other (specify method used and attach explanation) _____

b Check if there was a writedown of subnormal goods as described in Regulations Section 1.471-2(c) ☐c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? ☐ Yes ☐ Nof Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No**Schedule C Dividends and Special Deductions** (see instructions)

| | (a) Dividends received | (b) Percentage | (c) Special deductions (a) x (b) |
|---|------------------------|----------------|----------------------------------|
| 1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock) | | 70 | |
| 2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock) | | 80 | |
| 3 Dividends on debt-financed stock of domestic and foreign corporations (Section 246A) | | | |
| 4 Dividends on certain preferred stock of less-than-20%-owned public utilities | | 42 | |
| 5 Dividends on certain preferred stock of 20%-or-more-owned public utilities | | 48 | |
| 6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction | | 70 | |
| 7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction | | 80 | |
| 8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (Section 245(b)) | | 100 | |
| 9 Total. Add lines 1 through 8. See instructions for limitation | | | |
| 10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 | | 100 | |
| 11 Dividends from certain FSCs that are subject to the 100% deduction (Sec 245(c)(1)) | | 100 | |
| 12 Dividends from affiliated group members subject to the 100% ded (Section 243(a)(3)) | | 100 | |
| 13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11 | | | |
| 14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471) | | | |
| 15 Foreign dividend gross-up (Section 78) | | | |
| 16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (Section 246(d)) | | | |
| 17 Other dividends | | | |
| 18 Deduction for dividends paid on certain preferred stock of public utilities | | | |
| 19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1 | | | |
| 20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 | | | |

Schedule E Compensation of Officers (see instructions for line 12, page 1)**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

| 1 | (a) Name of officer | (b) Social security number | (c) Percent of time devoted to business | Percent of corporation stock owned | | (f) Amount of compensation |
|---|--|----------------------------|---|------------------------------------|---------------|----------------------------|
| | | | | (d) Common | (e) Preferred | |
| | JOSEPH GILLETTE | 191-60-5409 | 100.0% | % | % | 151,538. |
| | RAUL MARTYNEK | 085-64-4093 | 100.0% | % | % | 117,692. |
| | | | % | % | % | |
| | | | % | % | % | |
| | | | % | % | % | |
| 2 | Total compensation of officers | | | | | 269,230. |
| 3 | Compensation of officers claimed on Schedule A and elsewhere on return | | | | | |
| 4 | Subtract line 3 from line 2. Enter the result here and on line 12, page 1 | | | | | 269,230. |

Schedule J Tax Computation (see instructions)

| | | |
|---|-------------------------------|-------------------------------|
| 1 Check if the corporation is a member of a controlled group (see Sections 1561 and 1563) <input type="checkbox"/> | | |
| Important: Members of a controlled group, see instructions. | | |
| 2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order): | | |
| (1) \$ | (2) \$ | (3) \$ |
| b Enter the corporation's share of: | | |
| (1) Additional 5% tax (not more than \$11,750) | | \$ |
| (2) Additional 3% tax (not more than \$100,000) | | \$ |
| 3 Income tax. Check if a qualified personal service corporation under Section 448(d)(2) (see instructions) <input type="checkbox"/> | | 3 |
| 4a Foreign tax credit (attach Form 1118) | | 4a |
| b Possessions tax credit (attach Form 5735) | | 4b |
| c Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834) | | 4c |
| d General business credit. Enter here and check which forms are attached: | | |
| <input type="checkbox"/> 3468 | <input type="checkbox"/> 5884 | <input type="checkbox"/> 6478 |
| <input type="checkbox"/> 6765 | <input type="checkbox"/> 8586 | <input type="checkbox"/> 8830 |
| <input type="checkbox"/> 8826 | <input type="checkbox"/> 8835 | <input type="checkbox"/> 8844 |
| <input type="checkbox"/> 8845 | <input type="checkbox"/> 8846 | <input type="checkbox"/> 8820 |
| <input type="checkbox"/> 8847 | <input type="checkbox"/> 8861 | |
| e Credit for prior year minimum tax (attach Form 8827) | | 4e |
| 5 Total credits. Add lines 4a through 4e | | 5 |
| 6 Subtract line 5 from line 3 | | 6 |
| 7 Personal holding company tax (attach Schedule PH (Form 1120)) | | 7 |
| 8 Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 | | 8 |
| 9 Alternative minimum tax (attach Form 4626) | | 9 |
| 10 Add lines 6 through 9 | | 10 |
| 11 Qualified zone academy bond credit (attach Form 8860) | | 11 |
| 12 Total tax. Subtract line 11 from line 10. Enter here and on line 31, page 1 | | 12 |

Schedule K Other Information (see instructions)

| | Yes | No | | Yes | No |
|--|-----|----|---|-----|----|
| 1 Check method of accounting: a <input type="checkbox"/> Cash | | | 7 Was the corporation a U.S. shareholder of any controlled foreign corporation? (See Sections 951 and 957.) | | X |
| b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ | | | If 'Yes,' attach Form 5471 for each such corporation. | | |
| 2 See the instructions and enter the: | | | Enter no. of Forms 5471 attached ▶ | | |
| a Business activity code no. ▶ | | | 8 At any time during the 1999 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? | | X |
| b Business activity ▶ TELEPHONE DIALTONE | | | If 'Yes,' the corporation may have to file Form TD F 90-22.1. | | |
| c Product or service ▶ RESELLER SERVICES | | | If 'Yes,' enter name of foreign country ▶ | | |
| 3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see Section 267(c).) | | X | 9 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the corporation may have to file Form 3520 | | X |
| If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year. | | | 10 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? | | X |
| 4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? | | X | If 'Yes,' | | |
| If 'Yes,' enter name and EIN of the parent corporation ▶ | | | a Enter percentage owned ▶ | | |
| 5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see Section 267(c).) | | X | b Enter owner's country ▶ | | |
| If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) | | | c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶ | | |
| Enter % owned ▶ See Ques 5 Stmt | | | 11 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> | | |
| 6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See Sections 301 and 316.) | | X | 12 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ | | |
| If 'Yes,' file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary. | | | 13 If there were 75 or fewer shareholders at the end of the tax year, enter the number ▶ | | |
| | | | 14 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> | | |
| | | | 15 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) | | |
| | | | ▶ \$ | | |

Schedule L Balance Sheets per Books

| | Beginning of tax year | | End of tax year | |
|--|-----------------------|------------|-----------------|-------------|
| | (a) | (b) | (c) | (d) |
| Assets | | | | |
| 1 Cash | | 178,972. | | 2,687,734. |
| 2a Trade notes and accounts receivable | 1,467,028. | | 1,626,479. | |
| b Less allowance for bad debts | | 1,467,028. | 179,000. | 1,447,479. |
| 3 Inventories | | | | |
| 4 U.S. government obligations | | | | |
| 5 Tax-exempt securities (see instructions) | | | | |
| 6 Other current assets (attach schedule) Ln. 6. Stmt | | | | 43,458. |
| 7 Loans to shareholders | | 58,912. | | |
| 8 Mortgage and real estate loans | | | | |
| 9 Other investments (attach schedule) | | | | |
| 10a Buildings and other depreciable assets | 68,799. | | 866,403. | |
| b Less accumulated depreciation | 49,302. | 19,497. | 91,655. | 774,748. |
| 11a Depletable assets | | | | |
| b Less accumulated depletion | | | | |
| 12 Land (net of any amortization) | | | | |
| 13a Intangible assets (amortizable only) | 20,323. | | 20,323. | |
| b Less accumulated amortization | 11,365. | 8,958. | 15,395. | 4,928. |
| 14 Other assets (attach schedule) Ln. 14. Stmt | | 108,049. | | 285,970. |
| 15 Total assets | | 1,841,416. | | 5,244,317. |
| Liabilities and Shareholders' Equity | | | | |
| 16 Accounts payable | | 1,586,268. | | 2,255,018. |
| 17 Mortgages, notes, bonds payable in less than 1 year | | | | 180,265. |
| 18 Other current liabilities (attach sch) Ln. 18. Stmt | | 157,750. | | 965,712. |
| 19 Loans from shareholders | | | | |
| 20 Mortgages, notes, bonds payable in 1 year or more | | 60,008. | | 353,990. |
| 21 Other liabilities (attach schedule) | | | | |
| 22 Capital stock: a Preferred stock | | | 3,290,000. | |
| b Common stock | 210. | 210. | 25,210. | 3,315,210. |
| 23 Additional paid-in capital | | 40,206. | | 109,164. |
| 24 Retained earnings — Approp | | | | |
| 25 Retained earnings — Unappropriated | | -3,026. | | -1,935,042. |
| 26 Adjustments to shareholders' equity | | | | |
| 27 Less cost of treasury stock | | | | |
| 28 Total liabilities and shareholders' equity | | 1,841,416. | | 5,244,317. |

Note: The corporation is not required to complete Schedules M-1 and M-2 if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)

| | | | |
|---|-------------|--|-------------|
| 1 Net income (loss) per books | -1,932,016. | 7 Income recorded on books this year not included on this return (itemize): | |
| 2 Federal income tax | 3,000. | Tax-exempt interest \$ | |
| 3 Excess of capital losses over capital gains | 167,661. | | |
| 4 Income subject to tax not recorded on books this year (itemize): | | | |
| 5 Expenses recorded on books this year not deducted on this return (itemize): | | 8 Deductions on this return not charged against book income this year (itemize): | |
| a Depreciation | \$ | a Depreciation | \$ |
| b Contributions carryover | \$ 7,437. | b Contribn carryover | \$ |
| c Travel & entertainment | \$ 54,586. | | |
| See Ln 5 Stmt | 179,542. | | |
| | 241,565. | 9 Add lines 7 and 8 | |
| 6 Add lines 1 through 5 | -1,519,790. | 10 Income (line 28, page 1) — line 6 less line 9 | -1,519,790. |

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

| | | | | |
|--------------------------------|-------------|---|------------|-------------|
| 1 Balance at beginning of year | -3,026. | 5 Distributions | a Cash | |
| 2 Net income (loss) per books | -1,932,016. | b Stock | c Property | |
| 3 Other increases (itemize): | | 6 Other decreases (itemize): | | |
| | | 7 Add lines 5 and 6 | | |
| 4 Add lines 1, 2, and 3 | -1,935,042. | 8 Balance at end of year (line 4 less line 7) | | -1,935,042. |

Schedule D
(Form 1120)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1120, 1120-A, 1120-F, 1120-FSC, 1120-H,
1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT,
1120-RIC, 1120-SF, 990-C, or certain Forms 990-T.

OMB No. 1545-0123

1999

Name

GILLETTE GLOBAL NETWORK INC

Employer Identification Number

13-3793720

Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less

| (a) Description of property (Example, 100 shares of Z Co) | (b) Date acquired (month, day, year) | (c) Date sold (month, day, year) | (d) Sales price (see instructions) | (e) Cost or other basis (see instructions) | (f) Gain or (loss) (Subtract (e) from (d)) |
|---|--|--|--|--|--|
| 1 | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 2 | Short-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | 2 |
| 3 | Short-term gain or (loss) from like-kind exchanges from Form 8824 | | | | 3 |
| 4 | Unused capital loss carryover (attach computation) | | | | 4 |
| 5 | Net short-term capital gain or (loss). Combine lines 1 through 4 | | | | 5 |

Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year

| | | | | | | |
|----|---|---------|----------|----|----------|-----------|
| 6 | STOCK LIII | Various | 12/31/99 | 0. | 167,661. | -167,661. |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 7 | Enter gain from Form 4797, column (g), line 7 or 9 | | | | 7 | |
| 8 | Long-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | 8 | |
| 9 | Long-term gain or (loss) from like-kind exchanges from Form 8824 | | | | 9 | |
| 10 | Net long-term capital gain or (loss). Combine lines 6 through 9 | | | | 10 | -167,661. |

Part III Summary of Parts I and II

| | | | |
|----|--|----|--|
| 11 | Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 10) | 11 | |
| 12 | Net capital gain. Enter excess of net long-term capital gain (line 10) over net short-term capital loss (line 5) | 12 | |
| 13 | Add lines 11 and 12. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns | 13 | |

Note: If losses exceed gains, see **Capital losses** in the instructions.

BAA For Paperwork Reduction Act Notice, see the instructions for Forms 1120 and 1120-A.

Schedule D (Form 1120) 1999

Depreciation and Amortization
(Including Information on Listed Property)

▶ See instructions.
 ▶ Attach this form to your return.

OMB No. 1545-0172

1999
 67

Name(s) Shown on Return

GILLETTE GLOBAL NETWORK INC

Business or Activity to Which This Form Relates

Form 1120 Line 20

Identifying Number

13-3793720

Part I Election to Expense Certain Tangible Property (Section 179)
 (Note: If you have any "listed property," complete Part V before you complete Part I.)

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum dollar limitation. If an enterprise zone business, see instructions | 1 | \$19,000. |
| 2 | Total cost of Section 179 property placed in service. See instructions | 2 | |
| 3 | Threshold cost of Section 179 property before reduction in limitation | 3 | \$200,000. |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter amount from line 27 | 7 | |
| 8 | Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from 1998. See instructions | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2000. Add lines 9 and 10, less line 12 | 13 | |

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation for Assets Placed in Service Only During Your 1999 Tax Year
 (Do Not Include Listed Property)

Section A — General Asset Account Election

14 If you are making the election under Section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions ☐

Section B — General Depreciation System (GDS) (See instructions)

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only — see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|-----------------------------------|--|--|------------------------|-------------------|---------------|-------------------------------|
| 15a 3-year property | | | | | | |
| b 5-year property | | | | | | |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs | | S/L | |
| h Residential rental property | | | 27.5 yrs | MM | S/L | |
| i Nonresidential real property | | | 39 yrs | MM | S/L | |

Section C — Alternative Depreciation System (ADS) (See instructions)

| | | | | | | |
|----------------|--|--|--------|----|-----|--|
| 16a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs | | S/L | |
| c 40-year | | | 40 yrs | MM | S/L | |

Part III Other Depreciation (Do Not Include Listed Property) (See instructions)

| | | | |
|----|--|----|---------|
| 17 | GDS and ADS deductions for assets placed in service in tax years beginning before 1999 | 17 | 7,774. |
| 18 | Property subject to Section 168(f)(1) election | 18 | 34,579. |
| 19 | ACRS and other depreciation | 19 | |

Part IV Summary (See instructions)

| | | | |
|----|--|----|---------|
| 20 | Listed property. Enter amount from line 26 | 20 | |
| 21 | Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions | 21 | 42,353. |
| 22 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to Section 263A costs | 22 | |

Part V Listed Property – Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

| | | | | | | | | | | | | | |
|---|-------------------------------|---|----------------------------|--|------------------------|--------------------------|--|---------------------------------|--|--|--|-----|----|
| 23a Do you have evidence to support the business/investment use claimed? | | | | | Yes | No | 23b If 'Yes,' is the evidence written? | | | | | Yes | No |
| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected Section 179 cost | | | | | |
| 24 Property used more than 50% in a qualified business use (see instructions): | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| 25 Property used 50% or less in a qualified business use (see instructions): | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| 26 Add amounts in column (h). Enter the total here and on line 20, page 1 | | | | | | | 26 | | | | | | |
| 27 Add amounts in column (i). Enter the total here and on line 7, page 1 | | | | | | | 27 | | | | | | |

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | (a) Vehicle 1 | (b) Vehicle 2 | (c) Vehicle 3 | (d) Vehicle 4 | (e) Vehicle 5 | (f) Vehicle 6 |
| 28 Total business/investment miles driven during the year (Do not include commuting miles – see instructions) | | | | | | |
| 29 Total commuting miles driven during the year | | | | | | |
| 30 Total other personal (noncommuting) miles driven | | | | | | |
| 31 Total miles driven during the year. Add lines 28 through 30 | | | | | | |
| | Yes | No | Yes | No | Yes | No |
| 32 Was the vehicle available for personal use during off-duty hours? | | | | | | |
| 33 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | |
| 34 Is another vehicle available for personal use? | | | | | | |

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

| | | |
|---|-----|----|
| 35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | Yes | No |
| 36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 37 Do you treat all use of vehicles by employees as personal use? | | |
| 38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 39 Do you meet the requirements concerning qualified automobile demonstration use? See instructions | | |

Note: If your answer to 35, 36, 37, 38, or 39 is 'Yes,' you need not complete Section B for the covered vehicles.

Part VI Amortization

| | | | | | |
|--|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code Section | (e) Amortization period or percentage | (f) Amortization for this year |
| 40 Amortization of costs that begins during your 1999 tax year: | | | | | |
| | | | | | |
| 41 Amortization of costs that began before 1999 | | | | | 41 |
| | | | | | 4,030. |
| 42 Total. Enter here and on 'Other Deductions' or 'Other Expenses' line of your return | | | | | 42 |
| | | | | | 4,030. |

Form 1120, Page 1, Line 26
Other Deductions Statement

| | |
|-----------------------------------|-------------------|
| DUES & SUBSCRIPTIONS | 8,081. |
| BROCHURES & PRINTING | 28,272. |
| AUTO EXPENSES | 18,205. |
| BAD DEBTS | 92,564. |
| BANK CHARGES/ CREDIT CARD CHARGES | 4,317. |
| ADP SERVICE CHARGE | 2,865. |
| COMPUTER SUPPLIES | 2,009. |
| EDUCATION & TRAINING | 18,213. |
| EMPLOYEE BENEFITS PROGRAM | 24,670. |
| EQUIPMENT OPERATING LEASES | 159,075. |
| CONSULTING EXPENSE | 135,548. |
| INSURANCE | 95,169. |
| PROFESSIONAL FEES | 232,815. |
| OUTSIDE SERVICES | 38,369. |
| OFFICE EXPENSE | 85,206. |
| POSTAGE | 17,207. |
| SUPPLIES | 27,713. |
| LOCAL TRAVEL | 5,452. |
| TELEPHONE | 190,228. |
| TRAVEL | 34,609. |
| UTILITIES | 5,917. |
| Amortization | 4,030. |
| LICENSES | 3,207. |
| Meals and entertainment (50%) | 54,587. |
| TRADE SHOW COSTS | 29,400. |
| USE TAX | 1,335. |
| Total | <u>1,319,063.</u> |

Form 1120, Page 2, Sch A, Line 5
Other Costs Statement

| | |
|---------------------------------|-------------------|
| TELEPHONE SERVICE CARRIER COSTS | 2,697,641. |
| COMMISSIONS | 503,390. |
| INSTALLATION FEES/COSTS | 18,099. |
| BILLING SERVICE COSTS | 77,049. |
| CUSTOMER EQUIPMENT COSTS | 346,540. |
| INTERNET SERVICE & DATA COSTS | 695,639. |
| Total | <u>4,338,358.</u> |

Form 1120, Page 4, Schedule L, Line 6
Ln 6 Stmt

| Other Current Assets: | Beginning of tax year | End of tax year |
|-----------------------|--------------------------|--------------------|
| PREPAID INTEREST | | 43,458. |
| Total | | <u>43,458.</u> |

Form 1120, Page 4, Schedule L, Line 14
Ln 14 Stmt

| Other Assets: | Beginning of tax year | End of tax year |
|-------------------|--------------------------|--------------------|
| SECURITY DEPOSITS | 108,049. | 192,703. |
| PREPAID INTEREST | | 43,867. |
| OTHER RECEIVABLE | | 49,400. |
| Total | 108,049. | 285,970. |

Form 1120, Page 4, Schedule L, Line 18
Ln 18 Stmt

| Other Current Liabilities: | Beginning of tax year | End of tax year |
|-------------------------------|--------------------------|--------------------|
| SALES TAX/ EXCISE TAX PAYABLE | 148,059. | 144,050. |
| PAYROLL TAXES PAYABLE | 3,548. | 47,542. |
| ACCRUED STATE TAXES | 6,143. | 0. |
| DEFERED REVENUE | 0. | 235,000. |
| CONVERTIBLE DEBT | | 539,120. |
| Total | 157,750. | 965,712. |

Form 1120, Sch K, Corporation Ownership Information
Ques 5 Stmt

| | |
|-----------------|-------------|
| Name | ID No. |
| JOSEPH GILLETTE | 191-60-5409 |

Form 1120, Page 4, Schedule M-1, Line 5
Ln 5 Stmt

| | |
|------------------------|----------|
| PENALTIES | 542. |
| ALLOWANCE FOR BAD DEBT | 179,000. |
| Total | 179,542. |

EXHIBIT B

EUREKA BROADBAND CORPORATION
CONSOLIDATED USF CALCULATIONS
2001-2003

| Period | State/Federal USF Billed 403(a) | Interstate 403(d) | International 403(e) | Local 404(a) | LD/International 414(a) | Interstate 414(d) | International 414(e) | Private Line 415(a) | Interstate 415(d) | Other Revenue 418 | Gross Revenue | USF Billed Subject to USF | Interstate Subject to USF | International Subject to USF |
|-------------------|------------------------------------|----------------------|-------------------------|------------------------|----------------------------|------------------------|-------------------------|------------------------|------------------------|-------------------------|-------------------------|------------------------------|------------------------------|---------------------------------|
| January-01 | \$ 10,608.86 | \$ 7,835.59 | \$ 2,773.27 | \$ 219,335.01 | \$ 181,425.70 | \$ 127,722.04 | \$ 45,205.04 | \$ - | \$ - | \$ 643,691.70 | \$ 1,044,452.41 | \$ 10,608.86 | \$ 127,722.04 | \$ 45,205.04 |
| February-01 | \$ 13,363.56 | \$ 9,910.09 | \$ 3,453.47 | \$ 267,431.52 | \$ 195,338.17 | \$ 131,811.53 | \$ 54,297.31 | \$ 30,000.00 | \$ 24,000.00 | \$ 780,713.74 | \$ 1,273,483.43 | \$ 13,363.56 | \$ 155,811.53 | \$ 54,297.31 |
| March-01 | \$ 17,178.08 | \$ 12,677.03 | \$ 4,501.05 | \$ 393,698.76 | \$ 255,471.32 | \$ 169,768.08 | \$ 71,636.96 | \$ 40,000.00 | \$ 32,000.00 | \$ 1,185,585.93 | \$ 1,874,756.02 | \$ 17,178.08 | \$ 201,768.08 | \$ 71,636.96 |
| April-01 | \$ 16,469.91 | \$ 12,401.68 | \$ 4,088.23 | \$ 440,328.47 | \$ 236,111.51 | \$ 155,529.08 | \$ 66,765.45 | \$ 60,000.00 | \$ 48,000.00 | \$ 1,360,366.01 | \$ 2,098,806.99 | \$ 16,469.91 | \$ 203,529.09 | \$ 66,765.45 |
| May-01 | \$ 13,668.52 | \$ 10,682.61 | \$ 2,985.91 | \$ 506,495.35 | \$ 192,309.59 | \$ 128,265.23 | \$ 51,504.23 | \$ 70,000.00 | \$ 56,000.00 | \$ 1,643,077.88 | \$ 2,411,882.61 | \$ 13,668.52 | \$ 184,265.23 | \$ 51,504.23 |
| June-01 | \$ 14,288.44 | \$ 11,164.28 | \$ 3,122.16 | \$ 421,364.17 | \$ 196,590.41 | \$ 128,827.62 | \$ 53,869.44 | \$ 80,000.00 | \$ 64,000.00 | \$ 1,308,541.47 | \$ 2,006,496.06 | \$ 14,288.44 | \$ 192,627.62 | \$ 53,869.44 |
| July-01 | \$ 14,616.21 | \$ 12,030.99 | \$ 2,585.22 | \$ 435,115.88 | \$ 193,040.75 | \$ 129,942.71 | \$ 48,705.47 | \$ 120,901.05 | \$ 96,720.84 | \$ 1,222,921.98 | \$ 2,071,979.44 | \$ 14,616.21 | \$ 226,663.55 | \$ 48,705.47 |
| August-01 | \$ 16,023.47 | \$ 13,549.75 | \$ 2,473.72 | \$ 464,722.14 | \$ 208,204.84 | \$ 141,416.46 | \$ 50,778.79 | \$ 170,901.05 | \$ 136,720.84 | \$ 1,389,134.54 | \$ 2,122,962.58 | \$ 16,023.47 | \$ 278,139.31 | \$ 50,778.79 |
| September-01 | \$ 11,597.77 | \$ 10,251.14 | \$ 1,346.63 | \$ 420,204.70 | \$ 139,832.06 | \$ 92,930.58 | \$ 35,422.40 | \$ 220,901.05 | \$ 176,720.84 | \$ 1,220,236.96 | \$ 2,000,974.78 | \$ 11,597.77 | \$ 269,651.42 | \$ 35,422.40 |
| October-01 | \$ 17,137.20 | \$ 14,928.42 | \$ 2,208.77 | \$ 579,586.05 | \$ 300,733.36 | \$ 174,919.59 | \$ 54,395.12 | \$ 240,901.05 | \$ 192,720.84 | \$ 1,398,718.89 | \$ 2,519,939.34 | \$ 17,137.20 | \$ 367,640.44 | \$ 54,395.12 |
| November-01 | \$ 15,622.73 | \$ 13,820.24 | \$ 1,802.40 | \$ 533,167.33 | \$ 258,317.51 | \$ 148,759.40 | \$ 46,624.00 | \$ 260,901.05 | \$ 208,720.84 | \$ 1,265,732.94 | \$ 2,318,118.84 | \$ 15,622.73 | \$ 357,480.24 | \$ 46,624.00 |
| December-01 | \$ 11,765.84 | \$ 10,443.34 | \$ 1,322.60 | \$ 570,167.07 | \$ 208,974.61 | \$ 121,100.42 | \$ 41,770.34 | \$ 260,901.05 | \$ 208,720.84 | \$ 1,438,944.53 | \$ 2,478,987.26 | \$ 11,765.84 | \$ 329,821.26 | \$ 41,770.34 |
| Total 2001 | \$ 172,338.70 | \$ 138,695.16 | \$ 32,843.53 | \$ 5,251,617.28 | \$ 2,586,148.82 | \$ 1,650,794.76 | \$ 620,876.53 | \$ 1,555,408.31 | \$ 1,244,325.05 | \$ 14,937,666.38 | \$ 24,310,839.76 | \$ 172,338.70 | \$ 2,895,119.81 | \$ 620,876.53 |
| | | | | | | | | | | | \$ 0.106 | | | |
| January-02 | \$ 18,028.10 | \$ 16,721.30 | \$ 1,304.81 | \$ 812,704.80 | \$ 340,442.80 | \$ 204,091.40 | \$ 58,211.33 | \$ 677,370.50 | \$ 541,886.40 | \$ 1,702,960.37 | \$ 3,533,486.28 | \$ 18,028.10 | \$ 745,987.80 | \$ 58,211.33 |
| February-02 | \$ 15,558.06 | \$ 13,987.40 | \$ 1,568.68 | \$ 521,495.38 | \$ 293,272.86 | \$ 173,379.01 | \$ 61,403.93 | \$ 356,222.66 | \$ 284,978.12 | \$ 1,096,380.26 | \$ 2,267,371.13 | \$ 15,558.06 | \$ 456,357.13 | \$ 61,403.93 |
| March-02 | \$ 11,370.05 | \$ 10,102.88 | \$ 1,267.17 | \$ 368,587.74 | \$ 214,191.48 | \$ 123,852.60 | \$ 35,744.01 | \$ 201,408.39 | \$ 161,126.71 | \$ 818,401.28 | \$ 1,602,598.86 | \$ 11,370.05 | \$ 284,978.12 | \$ 35,744.01 |
| April-02 | \$ 19,482.56 | \$ 17,410.90 | \$ 2,071.66 | \$ 575,585.50 | \$ 302,934.00 | \$ 192,092.83 | \$ 58,698.46 | \$ 376,535.67 | \$ 301,228.54 | \$ 1,482,490.48 | \$ 2,502,545.64 | \$ 19,482.56 | \$ 493,321.37 | \$ 58,698.46 |
| May-02 | \$ 19,365.40 | \$ 17,110.28 | \$ 2,256.12 | \$ 548,650.03 | \$ 295,973.88 | \$ 187,725.05 | \$ 62,470.01 | \$ 357,554.39 | \$ 286,043.51 | \$ 1,186,804.66 | \$ 2,389,782.76 | \$ 19,365.40 | \$ 473,784.56 | \$ 62,470.01 |
| June-02 | \$ 16,423.07 | \$ 14,738.70 | \$ 1,684.37 | \$ 526,574.73 | \$ 261,763.50 | \$ 161,675.92 | \$ 50,905.03 | \$ 354,697.69 | \$ 283,759.15 | \$ 1,146,419.44 | \$ 2,289,455.38 | \$ 16,423.07 | \$ 445,434.07 | \$ 50,905.03 |
| July-02 | \$ 12,127.44 | \$ 10,969.81 | \$ 1,157.63 | \$ 492,805.27 | \$ 195,219.27 | \$ 113,396.90 | \$ 40,612.66 | \$ 339,314.20 | \$ 271,451.38 | \$ 1,115,296.22 | \$ 2,142,835.97 | \$ 12,127.44 | \$ 384,848.26 | \$ 40,612.66 |
| August-02 | \$ 17,800.61 | \$ 15,683.12 | \$ 2,117.49 | \$ 571,481.72 | \$ 272,097.09 | \$ 175,961.35 | \$ 56,675.03 | \$ 304,750.91 | \$ 243,800.73 | \$ 1,336,373.42 | \$ 2,484,703.14 | \$ 17,800.61 | \$ 419,762.08 | \$ 56,675.03 |
| September-02 | \$ 17,407.90 | \$ 15,489.17 | \$ 2,008.73 | \$ 567,508.01 | \$ 268,963.76 | \$ 173,315.15 | \$ 55,361.99 | \$ 316,970.77 | \$ 253,678.62 | \$ 1,313,983.60 | \$ 2,467,426.14 | \$ 17,407.90 | \$ 420,891.76 | \$ 55,361.99 |
| October-02 | \$ 19,453.48 | \$ 16,970.96 | \$ 2,482.52 | \$ 557,604.73 | \$ 301,696.37 | \$ 191,363.52 | \$ 65,150.46 | \$ 317,532.59 | \$ 254,026.07 | \$ 1,247,534.70 | \$ 2,424,368.39 | \$ 19,453.48 | \$ 445,379.59 | \$ 65,150.46 |
| November-02 | \$ 16,191.31 | \$ 14,416.86 | \$ 1,774.45 | \$ 534,126.83 | \$ 250,773.08 | \$ 167,077.47 | \$ 51,078.26 | \$ 309,895.64 | \$ 247,916.51 | \$ 1,227,495.00 | \$ 2,322,290.55 | \$ 16,191.31 | \$ 414,993.99 | \$ 51,078.26 |
| December-02 | \$ 14,298.30 | \$ 12,863.31 | \$ 1,434.98 | \$ 461,923.85 | \$ 215,234.89 | \$ 141,937.94 | \$ 42,163.91 | \$ 295,026.67 | \$ 236,022.94 | \$ 1,036,176.47 | \$ 2,008,363.68 | \$ 14,298.30 | \$ 377,960.87 | \$ 42,163.91 |
| Total 2002 | \$ 197,593.29 | \$ 176,464.69 | \$ 21,128.60 | \$ 6,540,059.18 | \$ 3,212,562.76 | \$ 2,005,859.13 | \$ 628,475.06 | \$ 4,207,262.08 | \$ 3,365,825.86 | \$ 14,475,135.90 | \$ 28,435,039.91 | \$ 197,593.29 | \$ 5,371,884.80 | \$ 628,475.06 |
| | | | | | | | | | | | \$ 0.113 | | | |
| January-03 | \$ 14,134.91 | \$ 12,944.62 | \$ 1,190.29 | \$ 520,432.05 | \$ 224,952.46 | \$ 145,216.32 | \$ 41,693.83 | \$ 385,260.90 | \$ 308,208.72 | \$ 1,132,102.63 | \$ 2,282,746.05 | \$ 14,134.91 | \$ 453,425.04 | \$ 41,693.83 |
| February-03 | \$ 12,473.29 | \$ 11,485.38 | \$ 887.90 | \$ 466,782.77 | \$ 195,231.25 | \$ 121,542.46 | \$ 37,136.39 | \$ 387,760.51 | \$ 310,208.41 | \$ 978,367.93 | \$ 2,025,142.46 | \$ 12,473.29 | \$ 431,750.87 | \$ 37,136.39 |
| March-03 | \$ 26,542.84 | \$ 23,264.69 | \$ 3,278.15 | \$ 580,130.28 | \$ 394,207.62 | \$ 277,200.06 | \$ 81,797.30 | \$ 379,122.78 | \$ 303,298.22 | \$ 1,168,844.87 | \$ 2,522,305.55 | \$ 26,542.84 | \$ 580,507.29 | \$ 81,797.30 |
| April-03 | \$ 8,897.30 | \$ 8,284.44 | \$ 632.86 | \$ 522,546.40 | \$ 147,989.69 | \$ 80,365.78 | \$ 29,342.68 | \$ 378,517.80 | \$ 302,814.24 | \$ 1,222,886.99 | \$ 2,271,940.88 | \$ 8,897.30 | \$ 383,180.02 | \$ 29,342.68 |
| May-03 | \$ 53,375.97 | \$ 45,892.49 | \$ 7,483.48 | \$ 556,231.60 | \$ 312,384.37 | \$ 186,550.41 | \$ 82,094.86 | \$ 385,201.95 | \$ 316,897.15 | \$ 1,166,167.84 | \$ 2,419,985.76 | \$ 53,375.97 | \$ 603,447.56 | \$ 82,094.86 |
| June-03 | \$ 54,890.62 | \$ 48,808.66 | \$ 6,081.96 | \$ 635,262.14 | \$ 373,002.66 | \$ 249,595.98 | \$ 66,717.94 | \$ 392,870.81 | \$ 285,825.97 | \$ 1,395,330.66 | \$ 2,799,466.28 | \$ 54,890.62 | \$ 535,421.95 | \$ 66,717.94 |
| July-03 | \$ 44,537.50 | \$ 39,688.03 | \$ 4,849.47 | \$ 719,063.39 | \$ 298,260.30 | \$ 169,190.53 | \$ 50,911.12 | \$ 396,411.86 | \$ 247,465.82 | \$ 1,254,393.43 | \$ 2,669,128.98 | \$ 44,537.50 | \$ 416,856.35 | \$ 50,911.12 |
| August-03 | \$ 50,940.04 | \$ 43,919.17 | \$ 3,020.87 | \$ 433,141.85 | \$ 246,725.37 | \$ 151,398.29 | \$ 31,732.91 | \$ 439,122.81 | \$ 414,999.54 | \$ 1,199,627.40 | \$ 2,318,517.23 | \$ 50,940.04 | \$ 568,397.83 | \$ 31,732.91 |
| September-03 | \$ 65,889.63 | \$ 60,676.06 | \$ 5,213.57 | \$ 563,234.31 | \$ 293,342.86 | \$ 179,386.33 | \$ 54,761.13 | \$ 415,108.79 | \$ 457,928.75 | \$ 1,304,417.39 | \$ 2,576,103.35 | \$ 65,889.63 | \$ 637,315.08 | \$ 54,761.13 |
| October-03 | \$ 64,566.88 | \$ 53,999.05 | \$ 10,567.83 | \$ 588,592.15 | \$ 349,189.21 | \$ 170,261.67 | \$ 114,596.08 | \$ 351,319.28 | \$ 415,296.73 | \$ 1,345,709.42 | \$ 2,632,810.06 | \$ 64,566.88 | \$ 585,558.40 | \$ 114,596.08 |
| November-03 | \$ 46,449.35 | \$ 40,965.07 | \$ 5,484.28 | \$ 555,588.07 | \$ 249,976.21 | \$ 147,548.07 | \$ 59,427.34 | \$ 318,614.33 | \$ 286,346.87 | \$ 1,251,555.14 | \$ 2,375,943.75 | \$ 46,449.35 | \$ 443,894.94 | \$ 59,427.34 |
| December-03 | \$ 58,320.76 | \$ 53,038.53 | \$ 5,282.23 | \$ 568,911.89 | \$ 268,825.33 | \$ 160,270.40 | \$ 57,266.87 | \$ 364,037.64 | \$ 414,742.73 | \$ 1,355,828.17 | \$ 2,557,803.03 | \$ 58,320.76 | \$ 575,013.13 | \$ 57,266.87 |
| Total 2003 | \$ 507,019.09 | \$ 452,946.21 | \$ 54,072.88 | \$ 6,706,828.90 | \$ 3,354,087.32 | \$ 2,038,535.31 | \$ 707,478.23 | \$ 4,563,549.28 | \$ 4,074,033.15 | \$ 14,773,131.90 | \$ 29,427,895.38 | \$ 507,019.09 | \$ 6,112,586.46 | \$ 707,478.23 |

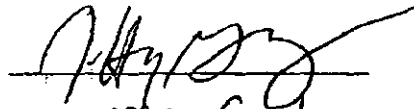
| | | |
|-----------------|--------------|--------------|
| 2001 | 54.3% | 24.2% |
| 2002 | 62.4% | 19.6% |
| 2003 | 60.8% | 21.1% |
| *Average | 62.5% | 21.6% |

**Eureka Broadband Corporation: Request for Review of the Universal Service
Administrator**

***Officer's Certification of Financial Documentation Provided to
the Universal Service Administrative Company***

I, Jeffrey Ginsberg, being the duly elected Chairman of the Eureka Broadband Corporation d/b/a Eureka Networks, successor-in-interest to Gillette Global Network, Inc. (the "Company" or "Eureka") (Filer ID # 820387), do hereby certify, under penalty of perjury, that all information provided to the Universal Service Administrative Company ("USAC"), including all financial documents, FCC Form 499s, or other information reflecting the historical or current financial condition of Eureka are true and correct in all material respects on and as of the date hereof.

Signature:



Date:

1/10/05

Printed Name:

Jeffrey Ginsberg

Title:

Chairman

EXHIBIT F

Withers, Darius B.

From: Withers, Darius B.
Sent: Wednesday, January 11, 2006 12:53 PM
To: Michael Lawrence; 'Theron Dawson'; Jeffrey Mitchell; 'Regina.Dorsey@fcc.gov'; 'hillary.denigro@fcc.gov'
Cc: Lewis, Adam; 'Vaitkus, Tadas'; Canis, Jonathan E.
Subject: Notice re: Final Payment of USF Payment Plan by Eureka Networks (# 820387)
Importance: High
Sensitivity: Confidential

Messrs. Lawrence and Dawson:

Per our prior communications, please find attached a PDF document illustrating payment by Eureka Networks LLC (f/k/a Eureka Broadband Corporation and Gillette Global Network, Inc.; FCC Filer ID # 820387) of the total remaining balance associated with the Company's Promissory Note, Security Agreement and Deferred Payment Plan (dated October 1, 2004).

The original check and payment plan invoice is being sent to Mr. Lawrence via Federal Express today, for delivery tomorrow, Thursday, January 12, 2006.

With this payment, and as I read the relevant payment agreement documents, Eureka has satisfied its obligations to USAC.

Please confirm in an electronic message or writing that Eureka has, in fact, satisfied its obligations under the Promissory Note. We would also appreciate receipt of the Original Note marked "Paid."

It was a pleasure working with you on this matter. As always, if you have any questions, please feel free to contact me.

- Respectfully Submitted,

Darius Withers



EurekaPayment
Plan - Final Pay...

Darius B. Withers
Kelley Drye & Warren, LLP
1200 19th Street, N.W. Suite 500
Washington, D.C. 20036-2423
202/ 955-9774 (direct)
202/ 955-9792 (fax)
dwithers@kelleydrye.com

| Tracking: | Recipient |
|-----------|---------------------------|
| | Michael Lawrence |
| | 'Theron Dawson' |
| | Jeffrey Mitchell |
| | 'Regina.Dorsey@fcc.gov' |
| | 'hillary.denigro@fcc.gov' |
| | Lewis, Adam |
| | 'Vaitkus, Tadas' |
| | Canis, Jonathan E. |

Delivery

Delivered: 1/11/2006 12:53 PM



Universal Service Administrative Company

Statement Date: 12/22/2005
Invoice Number: PMTP0000000093
Filer 499 ID: 820387
Payment Due USAC: \$33,899.15

Amount Enclosed:

Mail Payment To:

Gillette Global Network, Inc.
39 Broadway, Floor 19
New York, NY 10006
Attn: Tadas Vaitkus

Universal Service Administrative Company
1259 Paysphere Circle
Chicago, IL 60674-1259

Send top portion of statement with payment. Keep bottom portion for your records.

PAYMENT PLAN INVOICE

| Date | Description | Charges | Credits |
|------------------------|-----------------------|--------------|---------------|
| | Previous Balance | \$133,714.83 | |
| 12/15/2005 | Payment | | (\$33,899.15) |
| 12/15/2005 | Payment Plan Interest | \$748.62 | |
| Total Balance | | \$100,564.30 | |
| PAYMENT DUE TO USAC BY | | 1/13/2006 | \$33,899.15 |

| Statement Date | Invoice Number | Filer 499 ID | Payment Due |
|----------------|----------------|--------------|-------------|
| 12/22/2005 | PMTP0000000093 | 820387 | \$33,899.15 |

PAYMENT INFORMATION

Payment must be received by 01/13/2006 to avoid late payment penalties.

Please remit ACH payments in a CCD+ format to
ABA #071000505, Account #5590045653.

Please also include your Company Name, Filer 499 ID, and Invoice Number.

Vendor No: 3145

Check Number: 35317

Name : Universal Service

Date: 09-JAN-06

Check Total: 100,564.30

EUREKA NETWORKS, LLC

| CO | INVOICE | DESCRIPTION | DATE | PO NO | INVOICE AMOUNT | DISC | AMOUNT |
|----------------------|------------|--------------|----------|-------|----------------|------|------------|
| 01 | PMT0000000 | Payment Plan | 12-22-05 | | 100,564.30 | 0 | 100,564.30 |
| . | | | | | | | |
| . | | | | | | | |
| . | | | | | | | |
| . | | | | | | | |
| . | | | | | | | |
| . | | | | | | | |
| . | | | | | | | |
| Invoice Total Amount | | | | | | | 100,564.30 |
| 01: | | | | | | | |

Vendor No: 3145

Check Number: 35317


Name : Universal Service

Date: 09-JAN-06

Check Total: 100,564.30

EUREKA NETWORKS, LLC

| CO | INVOICE | DESCRIPTION | DATE | PO NO | INVOICE AMOUNT | DISC | AMOUNT |
|----------------------|------------|--------------|----------|-------|----------------|------|------------|
| 01 | PMT0000000 | Payment Plan | 12-22-05 | | 100,564.30 | 0 | 100,564.30 |
| . | | | | | | | |
| . | | | | | | | |
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| . | | | | | | | |
| . | | | | | | | |
| . | | | | | | | |
| Invoice Total Amount | | | | | | | 100,564.30 |
| 01: | | | | | | | |

| | | | | |
|---|--|--------------------------------|--|---------------|
| EUREKA NETWORKS, LLC | | MORGAN CHASE BANK, N.A. | | 035317 |
| 88 BROADWAY 18TH FLOOR | | NEW YORK, NEW YORK 10047 | | |
| NEW YORK, NY 10006 | | www.chase.com | | |
| | | DATE 09-JAN-06 | | AMOUNT |
| One Hundred Thousand Five Hundred Sixty-Four Dollars And 30 Cents | | | | ***100,564.30 |
| PAY TO THE ORDER OF: Universal Service Administrative Company P1161 499 ID 820387 1259 Paysphere Circle Chicago, IL 60674-1259 | | | | |
|  | | | | |
| ⑈035317⑈ ⑈021000021⑈777008912⑈ | | | | |

Withers, Darius B.

From: Michael Lawrence [mlawrence@universalservice.org]
Sent: Thursday, January 12, 2006 4:08 PM
To: Vaitkus, Tadas
Cc: Withers, Darius B.; Anne Marie Trew; Jeffrey Mitchell; Theron Dawson
Subject: Gillette Payment Plan Payment

Tadas,

We received your final payment plan payment in the amount of \$100,564.30. This satisfies your payment plan obligation 2 months ahead of schedule. Thank you (and Darius of course!) for your attention to this matter, and for working with USAC to make the process a success!

Take care and good luck,

Mike Lawrence
Collections Manager
Universal Service Administrative Company
202-772-5249

The information contained in this E-mail message is privileged, confidential, and may be protected from disclosure; please be aware that any other use, printing, copying, disclosure or dissemination of this communication may be subject to legal restriction or sanction. If you think that you have received this E-mail message in error, please reply to the sender. This E-mail message and any attachments have been scanned for viruses and are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened. However, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by Kelley Drye & Warren LLP for any loss or damage arising in any way from its use. * * * * * For more information about KELLEY DRYE & WARREN LLP please visit our website at <http://www.kelleydrye.com>.